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C O N F I D E N T I A L SECTION 01 OF 03 BANGKOK 002899

SIPDIS

E.O. 12958: DECL: 09/24/2018

TAGS: [PGOV](#) [PINR](#) [KDEM](#) [TH](#)

SUBJECT: CABINET APPOINTMENTS WILL SIGNAL CONTINUITY AND
COULD EASE TENSION WITH PAD

REF: A. BANGKOK 2871 (PEACE TALKS IN INDONESIA)

[1](#)B. BANGKOK 2357 (RESHUFFLED CABINET)

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Classified By: Ambassador Eric G. John, reason: 1.4 (b) and (d).

SUMMARY AND COMMENT

[1](#)1. (C) Ambassador's meetings and media reports this week indicate that PM-elect Somchai Wongsawat's cabinet -- poised to receive endorsement by King Bhumibol at the time of writing September 24 -- appears unlikely to change the tone of Thai politics in the short term, and likely will not last in office very long. Former Prime Minister (1996-97) Chavalit Yongchaiyudh is assuming the position of Deputy Prime Minister in the upcoming cabinet, according to a Palace official who has seen the list. Chavalit is not popular, but his appointment may help ease ongoing anti-government protests in Bangkok, facilitate discussions with Cambodian leaders, and result in extra attention toward ending the southern insurgency. Veteran politician Sompong Amornwivat is moving from the Justice Ministry to become Foreign Minister. Controversial ex-cop Chalerm Yoobamrung is returning to the cabinet, albeit in the relatively innocuous position of Health Minister. Somchai's appointments, vetted by his brother-in-law, former PM Thaksin Shinawatra, indicate some figures who may assume higher positions if Somchai's People's Power Party (PPP) is dissolved in upcoming legal proceedings.

[1](#)2. (C) Comment: Sompong, the incoming Foreign Minister, has only modest international experience as a Thai trade representative, but he appears well-disposed toward the USG and has been easily accessible to us. It is unclear whether Sompong will be fully capable of steering foreign affairs during Thailand's chairmanship of ASEAN. Chavalit is a loose cannon largely discredited by his mishandling of the run-up to the 1997 financial crisis, but he has retained useful networks (a reputed business partner of Cambodian leaders Hun Sen and Tea Banh; a southern Thai political network known as the Wada faction; former New Aspiration Party activists who are now part of the PAD) and may take some of the media focus/ire off of Somchai. Some of the other reported incoming cabinet members are political unknowns; top

associates of Thaksin had held executive board positions in the Thai Rak Thai party (TRT) and remain ineligible to hold political positions because of the TRT's dissolution. The People's Power Party and the previous cabinet consisted mostly of "B list" figures, and there were few fresh and talented politicians Somchai could have drawn on to form his administration. End Summary and Comment.

PALACE CONCERN ABOUT CABINET

13. (C) Arsa Sarasin, Principal Private Secretary to the King, told Ambassador on September 23 that the cabinet list PM-elect Somchai Wongsawat submitted to the Palace for royal approval contained several notable appointments. Arsa specified the following:

- Former PM Chavalit Yongchaiyudh as Deputy Prime Minister;
- Justice Minister Sompong Amornwiwat as Foreign Minister; and
- Firebrand Chalerm Yoobamrung as Public Health Minister.

These appointments have been reported in the Thai press, along with others that indicate that Somchai's cabinet will retain many of Samak Sundaravej's appointees. Somchai is not broadening his cabinet to include members of the opposition Democrat Party, nor is he appointing esteemed technocrats.

14. (C) Arsa told the Ambassador he was concerned that Thailand would face "big problems" because of important upcoming tasks, including:

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- resolving the standoff between the government and People's Alliance for Democracy (PAD) protestors who continue to occupy the Government House compound. (Arsa emphasized to the Ambassador that PAD protestors were "not backed by the King at all." He did not address rumors of support for the PAD from the Queen or other figures associated with the Palace.)

- Legal proceedings that could lead to the dissolution of the People's Power Party (PP), Chart Thai Party, and Matchima Thippathai Party because of election irregularities;

- The possible near-term dissolution of the House of Representatives by the Prime Minister;

- Hosting the December 15-18 ASEAN Summit;

- Organizing the December 2-8 celebrations of the King's 81st birthday; and

- Honoring the King's deceased elder sister in her November 14-19 funeral ceremonies.

THAKSIN ASSOCIATE'S ANALYSIS

15. (C) Ambassador met on September 23 with Chaturon Chaiseng, former Acting Party Leader of Thai Rak Thai (TRT) and one of the 111 banned TRT executives. Chaturon noted that he had served as Minister of Justice when Somchai was Permanent Secretary at that Ministry; he said Somchai was a good person who was able to build compromise agreements. Chaturon speculated that Somchai had selected Chavalit for one of several Deputy PM positions at Thaksin's request. Chaturon said Thaksin often spoke of the need for "heavyweight" figures; Chavalit fit that bill.

16. (C) Chaturon recounted that Chavalit had been Thaksin's first choice to lead the People's Power Party (PPP) to contest the 2007 elections, but negotiations had collapsed when Chavalit insisted on being able to establish policies as

well as to control the party's funds. Thaksin therefore had turned to his second choice, Samak Sundaravej. At present, however, Chavalit -- a former Army Commander -- appeared likely to help smooth out relations between PPP and the Army.

(Chaturon claimed Chavalit was "very close" to former Army Commandr and current President of the Privy Council Prem Tinsulanonda, although other contacts previously told us the two did not have a harmonious relationship, and that the palace in fact despised Chavalit.)

17. (C) Chaturon also believed Chavalit could help resolve the conflict between the government and the PAD. Although Chaturon did not believe Chavalit knew well Chamlong Srimuang, the retired General who is a co-leader of PAD, Chaturon said some "close aides" of Chavalit had been assisting the PAD. (Note: Separately on Sept. 23, PAD co-leader Somkiat Pongphaiboon told us that Chavalit had already initiated dialogue with PAD second tier figures Sept. 18, and that the dialogue had decreased political tensions considerably. Somkiat also identified Chat Thai Sec-Gen Sanan Kachornpasat and former Senate speaker Manoonkrit Rupkacorn as other "government" negotiators; Chamlong would be in charge for the PAD. Several of the PAD second tier, including one of the nine subjected to arrest warrants, are former members of Chavalit's old New Aspiration Party and spoke of Chavalit in reverent tones to us Sept. 23.)

18. (C) Chaturon appeared dismayed that Chalerm, a controversial and divisive figure, would return to the cabinet. (Note: Chalerm was Samak's first Interior Minister, but he was removed from the cabinet in an August reshuffle. End note) Chaturon said that "we" (NFI -- perhaps Chaturon and fellow insider Yongyuth) had cautioned Thaksin that Chalerm would prove a liability, but Chaturon said Thaksin nevertheless wanted Chalerm in the cabinet. Chaturon viewed Chalerm's appointment as Minister of Public Health as an

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effort to include Chalerm while providing him a portfolio that would minimize public concern and, especially, preclude him from a role in the ongoing standoff with the PAD.

19. (C) Somchai's administration would last only "two months, plus or minus," Chaturon predicted. (Many observers believe this administration will be short-lived.) He seemed to base his estimate primarily on the likelihood of PPP being dissolved by the Constitutional Court because of electoral improprieties committed by one of its executive members. Chaturon said there seemed to be no questions of fact or law that the Court would need to resolve before issuing its ruling, although PPP would have a 45-day period to prepare its defense after the Court begins its proceedings.

BIK CHIEW RETURNS

10. (C) If Somchai himself appears to be off to a relatively uncontroversial start, appointing Chavalit as DPM provides a convenient high profile media lightning rod in the wake of combative former PM Samak's exit from the scene that may ease pressure/focus off of the low-key Somchai. Like Samak, Chavalit is an "old tiger," as veteran politicians are referred to in Thai; while he has many enemies in the press, politics, and reportedly in the palace, he continues to exude a certain charisma ("baramie") and connections that Samak lacked and which may prove useful for a short-term government. As reported in ref A, Chavalit's name has also arisen in connection with the recent talks hosted by the Indonesian government between Thai figures who, although of dubious credibility, were publicly presented as representatives of the RTG and principal insurgent groups; Chavalit held a press conference September 18 to preview a breakthrough in efforts to resolve the southern insurgency. It is unclear to us at this time whether Chavalit's claims suggest that, as Deputy PM, he intends to take a leading role implementing initiatives in the troubled South, or whether

Chavalit simply sought to appear active on an important issue in order to promote his chances of receiving a cabinet appointment.

"PUEA THAI" LEADER AS FINANCE MINISTER, FUTURE PM?

¶11. (C) According to press reports, Somchai is also appointing economist Suchart Thadathamrongvech as Finance Minister; Suchart entered Samak's cabinet in August as Deputy Finance Minister (ref B provides biographic information). Suchart was recently elected Party Leader of the newly-formed Puea Thai ("For Thais") Party, which is widely seen as a vehicle to which PPP legislators can move if PPP is dissolved. As Party Leader of what would become the principal pro-Thaksin party, Suchart would appear, for now, to have the inside track for the premiership in the event of new elections following PPP's dissolution. That said, Thaksin insider Chaturon told the Ambassador that, given that Thaksin had previously considered Chavalit for PPP's top job, it was possible that Chavalit might run for a seat in the House in the next elections and, after that, receive Thaksin's support to reassume the premiership.
JOHN